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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

August 27, 2007

Marvin Melville
2816 Etienne Way
Sandy, Utah 84093-1115

Subject: Response Regarding Inspection at the Alta Helena Mine, Marvin Melville, Alta Helena Mine, Assigned S0350035 (unpermitted), Salt Lake County, Utah

Dear Mr. Melville:

I apologize for the delay in responding to your letter of August 13, 2007, but our office has been extremely busy during the past couple of weeks. With regard to your request for the basis of the June 29, 2007 inspection, I must state that the Division was conducting an investigation of alleged mining operations. I refer you to Utah Code Ann. § 40-8-5 and Utah Administrative Code R647-1-102.1.13, which give the Division authority to conduct inspections on all lands within the State of Utah lawfully subject to its police power.

As stated in our previous letter to you, the Division's primary purpose for conducting the inspection was to ascertain, if possible, whether this site should be permitted under the Utah Mined Land Reclamation Act and associated rules. We also wanted to determine whether this old historic mine was left in a safe condition. A site visit was deemed necessary because we could not rely on hearsay from others. You will have to concede that having a portal identified as the "Alta Helena Mine" would give someone reason to question whether mining operations were being conducted rather than just construction activity in the area. Your August 13, 2007 letter has helped to clarify that you are not conducting mining or exploration activities.

A copy of the inspection report was previously sent to you, but I have enclosed another one for your records. You should note that the names of all persons attending the inspection are identified in the report.

As a result of our investigation, the Division finds that mining operations are not being conducted at this site and a permit from this office is not required at this time. However, should there be any excavation of the site for the development or extraction of a mineral deposit in the future, a permit will be required.

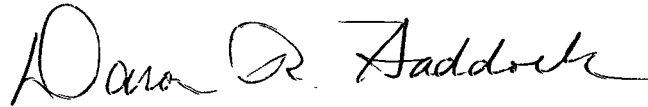


Marvin Melville
Page 2 of 2
Assigned S0350035 (unpermitted)
August 27, 2007

Part of the Division's mission statement is to safeguard the environment and protect public health and safety. One safety issue that was identified during the inspection, which is still a concern to the Division, is the small opening to the historic mine works located above the newly constructed portal. This should be sealed off so that the old mine is not accessible to the public.

Thank you for your cooperation. If you have questions or need further information regarding this letter, please call me at 801-538-5325 or Paul Baker at 801-538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being the most prominent.

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:pb
Enclosure: Inspection Report
cc: Laura McIndoe, Alta Town
Jim Allen and Liana Gregory, Utah Attorney General's Office
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